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U.S. IMPORTS FROM JAPAN: A REVIEW OF 1985 SALES

Summary

Imports from Japan, which seemed to be on a runaway course in 1984, were reined in last year by the U.S. economy's paltry 2.2 percent inflation-adjusted growth. True, purchases climbed 20.4 percent to $68.8 billion, but this increase, however politically explosive, was still only half of 1984's. The big difference was the pace of capital spending. A driving force in the first two years of the current economic expansion, business investment in plant and equipment slowed to a crawl in 1985, capping deliveries of Japanese-made capital goods at $21.5 billion for an 11.5 percent gain. Moreover, with American industry operating well below capacity for much of last year, arrivals of intermediate goods went up just 2.7 percent to $7 billion. At the same time, though, the surprising durability of consumer spending meant 24.4 percent more consumer goods for a total of $14 billion. It also helped transform automotive products from 1984's import laggards to last year's pacesetters as purchases jumped 32.1 percent to $25 billion.

Import Profiles

Automotive Products - Measured by Detroit's traditional yardstick, 1985 was a banner year for American automotive manufacturers. Combined U.S. car and truck sales climbed 8.6 percent to 15,723,116 units, erasing the old record set in 1978 by a solid 316,011 vehicles. Total car sales topped the 11 million mark for the first time since 1978 and were the fourth highest on the books at 11,043,768 units. The clincher was the industry's balance sheet. Profits at

General Motors Corp., Ford Motor Co., Chrysler Corp. and American Motors Corp. added up to a staggering $8.3 billion, second only to 1984's $9.8 billion bottom line.

But these numbers do not tell the full story of Detroit's performance in the 1985 car market. Sales of domestic makes were only up 3.2 percent to 8,204,542 units, a mere shadow of the 17 percent gain posted in 1984. Worse, more than one-third of the quarter-of-a-million additional cars sold last year were assembled by Honda of America Manufacturing, Inc. or the two newest U.S. auto companies -- Nissan Motor Manufacturing Corp. U.S.A. and New United Motor Manufacturing Inc., the Toyota Motor Corp.-GM venture. In a double blow, the Big Three had to resort to cut-rate financing and other incentives time and again to keep sales on the upswing, while import dealers in major metropolitan areas were able to tack hefty markups on the top-selling Japanese models.

Frustration was an occupational hazard for auto industry executives regardless of nationality in 1985. In mapping out U.S. sales strategies for the April 1985-March 1986 period, Japanese car manufacturers proceeded under the assumption that the export controls that had played havoc with their American marketing plans for the previous four years would be lifted. At the eleventh hour, however, a wavering Tokyo opted to extend the restraints for a fifth year but to raise the export limit on sedans and hatchbacks from 1,850,000 units to 2,300,000, with comparable 24 percent-plus increases in the separate quotas on shipments of four-wheel-drive cars, station wagons and vans (to 113,000 units) and vehicles for sale in Puerto Rico (to 95,700 units).

Tokyo's attempt to navigate a middle course backfired on both sides of the Pacific. The hike in the shipment ceiling for the twelve months starting in April 1985 boosted U.S. calendar year purchases of Japanese-made cars 29.6 percent to 2,527,467 units valued at $16.2 billion, a politically damaging 31.4 percent bulge in the import tally. Adding fuel to the smouldering protectionist fires, sales of made-in-Japan cars, which had dipped in 1984, jumped 16.4 percent to a record 2,217,860 units and supplied 20.1 percent of the American market. Japanese government and industry spokesmen were quick to point out that this market penetration was still below 1980-83 levels, but all congressional supporters of U.S. auto industry protection saw was that Japanese exporters had added 1.8 points to their artificially depressed 1984 share.

While the Japanese government was trying to contain the fallout in the United States from its decision to raise the restraint level, it also had to contend with grumblings at home about how the extra sedan/hatchback quota was allocated. Roughly three-fifths of the 450,000-unit increase was earmarked for shipment by Japan's five smaller exporters, with the lion's share going to GM's two affiliates -- Isuzu Motors, Ltd. and Suzuki Motor Co., Ltd. -- and to Mitsubishi Motors Corp., which supplies Chrysler. This formula left some 185,000 cars for distribution among Toyota, Nissan and Honda -- enough to build skimpy U.S. inventories to levels that supported expanded sales in 1985 but not as many cars as corporate planners for the three import leaders projected their companies could sell.

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Still hamstrung in their ability to supply U.S. demand, Japanese car makers continued the profitable move into the midsize and luxury markets that are Detroit's mainstay. For Toyota this marketing strategy meant that the top-of-the-line Cressida and Camry models generated 28 percent of 1985 sales, which came to 620,047 cars, compared with 23 percent of the year-earlier total of 557,981 units. Including the upscale Celica, Supra and new MR2 sports cars as well, fully one-half of the cars sold by the number-one importer last year fell into the midsize or luxury segments. Nissan used the same tactics in expanding sales 10.3 percent to 535,372 cars, with the high-end Maxima, 300 ZX and 200 SX accounting for 43.4 percent of this number. Honda's 1985 import sales of 406,413 units (up 8.4 percent) were split almost evenly between small cars and upscale models, but with access to nearly 150,000 Ohio-built Accords, it had a far more profitable product mix than either Toyota or Nissan.

Big margins on their 1985 car sales allowed Japan's motor vehicle makers to continue the expensive battle for position in the fast-expanding but fiercely competitive American small truck market. Sales of compact pickups, vans and sports-utility vehicles have skyrocketed since 1981, jumping 30.4 percent last year alone to 2,244,032 units. The increasing number of new vehicle buyers unwilling or unable to foot the $11,000-plus average cost of American cars or the equally stiff cost of Japanese models was one reason small truck sales broke records in 1985 for the fourth straight year. But a big part of the credit goes to Detroit for astute product development.

After conceding a growing share of light-duty truck sales to Japanese-made compact pickups in the late 1970s, GM, Ford and Chrysler jumped into the small truck market in late 1981-early 1982 with their own compact pickup models. The immediate success of these trucks, which had larger passenger and cargo compartments and better fuel economy than the imports but were competitively priced, encouraged GM, Ford and AMC to design a new lineup of downsized sports-utility vehicles. These vehicles, unveiled in 1982 and 1983, also won almost instant market acceptance. If initial sales figures are any indication, though, the minivans introduced by Chrysler in late 1983 and GM and Ford over the next two years could turn out to be Detroit's best-selling small truck products yet.

Japanese small truck suppliers pursued some familiar marketing strategies in the 1985 phase of their four-year sales battle with American manufacturers. Aggressive pricing remained the key weapon, as importers not only kept stickers on their price-leader pickup trucks below $6,000 for the fourth consecutive year but also held the pricing line on many of their more expensive models. Moreover, they continued to add new models to their lineups, devote a disproportionate share of automotive advertising budgets to trucks, and periodically offer low-cost financing and other sales incentives.

These tactics paid off in 1985's strong U.S. small truck market. Combined sales of Japanese nameplates, which had soared 54.7 percent the year before, climbed an additional 24.4 percent to 808,529 units (including roughly 100,000 assembled by Nissan in Tennessee). In the process, imports ballooned 42 percent to 803,965 vehicles valued at $3.4 billion, a 45.1 percent gain. But these numbers were no match for the U.S. industry's results. American producers boosted sales of their innovative small trucks 34 percent to 1,435,503 units and trimmed the market share controlled by Japanese makes another 1.8 points to 36 percent.

Higher sales of American-built cars and trucks in 1985 gave another shot in the arm to beleaguered domestic suppliers of original equipment parts, but their problems were by no means behind them. For starters, U.S. car and truck production, while up for the third straight year, still fell almost 1.2 million units short of 1978's record 12.8 million vehicles. Moreover, American producers of production components continued to lose business at the margin to foreign rivals as Detroit's drive to improve the competitiveness of U.S.-made products resulted in more contract awards for overseas suppliers.

Increased outsourcing of original equipment parts by the U.S. Big Three from both affiliates and unrelated manufacturers in Japan was one reason imports of Japanese-made automotive parts expanded 22 percent last year to $4.2 billion. But greater purchases of engines, transmissions, starter motors, alternators, clutches and other products on the long list of production parts Detroit buys from Japan again took a backseat in the import expansion to bigger deliveries of replacement parts for Japanese cars and trucks.

The roughly 19.2 million Japanese vehicles sold in this country since 1977 have created an enormous market for replacement parts. Although hard numbers are missing, it is commonly thought that these sales are split about evenly between franchised new car and truck dealerships and other automotive sales and service outlets like repair shops and mass merchandisers. Japanese suppliers have a near monopoly on the parts requirements of dealers' service organizations, particularly major mechanical components. They have also made deep inroads in the other half of the aftermarket, which is the biggest sales channel for batteries, tires, spark plugs, filters, mufflers, brake parts and other high turnover parts.

On top of the import pull of the huge aftermarket for Japanese cars and trucks, the domestic assembly operations of Japanese automotive manufacturers are starting to inflate parts purchases. Five years ago none of Japan's nine major motor vehicle companies had a U.S. production facility. In 1985, however, Honda built 145,337 Accords at its Ohio plant, Nissan turned out 107,442 small pickups and 43,810 Sentra subcompacts in Tennessee, and NUMMI assembled 64,601 Toyota-designed subcompacts for sale under the Chevrolet name in its first full year of operation. With all three companies sourcing their engines, transmissions and differentials or transaxles as well as other key production components from Japan, the import numbers had to go up.

Capital Goods - After hiking capital spending by an awesome 29 percent over the 1983-84 period, U.S. business took a breather last year. Nowhere was this pause more evident than in the computer market as sputtering growth replaced the breakneck expansion of the early 1980s. The market's high fliers, personal computers, came back to earth, posting gains that outsiders would tag as robust but suppliers considered moderate, while minicomputer sales were lackluster and mainframe shipments disappointing. Few computer companies, American or foreign, were immune to the market's scaled-back performance, but judging by the import statistics, the ripple effect on Japanese vendors was surprisingly big.

Purchases of Japanese-made computers, peripherals and parts were up just 1.5 percent to $3.2 billion -- a far cry from 1984's 78.9 percent spurt and the 115 percent surge of the previous year. Although no product breakdown is

available, indirect evidence suggests that Japanese manufacturers had a rough time across-the-board. At best, the group of companies that dominates U.S. sales of dot matrix and daisywheel printers for use with personal computers maintained shipments at 1984's level in the flat American printer market, but financial results were unquestionably hurt by another round of price-cutting. The story was much the same for Japanese floppy disk drive vendors, which now control the big domestic market for 5.25-inch drives and the smaller one for microfloppies: revenues fell in 1985's no-growth environment as a price war compounded a shipment drop. Business held up better for 5.25-inch rigid drives, but this did not translate into much of an import gain since Japanese competitors are the U.S. market's secondary players.

As weak as business might have been for Japanese makers of peripherals last year, they at least were able to keep shipments in the neighborhood of 1984 numbers. The same cannot be said for the handful of companies producing business-oriented personal computers for sale here. Having failed to dent the market the first time around with systems that were incompatible with International Business Machines Corp.'s PC, Japanese computer manufacturers discovered last year that climbing on the IBM PC bandwagon does not guarantee success either -- particularly in a rough-and-tumble market like 1985's.

The scaled-back pace of U.S. capital spending last year also trimmed growth in the telephone terminal equipment market, but this damper does not explain why imports of Japanese-made private branch exchanges, key systems and single-line telephones leveled off at $0.7 million. Part of the answer dates back to 1984, when purchases more than doubled and contributed to a glut that had still not been eliminated by the end of 1985. A resurgent American Telephone & Telegraph Co. also made life difficult for Japanese manufacturers of PBXs and key systems by halting the erosion of its huge customer base with popular product offerings and system enhancements. Paradoxically, the only market segment where Japanese suppliers made headway last year was the one in which they were thought to be at a competitive disadvantage -- telephones. But here Japanese makers simply filled the expanding niche for expensive feature-laden phones.

When sales of personal computers started to slow in 1984's second half and purchases of mainframes and minicomputers followed suit, the boom-and-bust U.S. semiconductor industry knew it was in trouble since computer makers had been generating anywhere up to half of its booming business. How much trouble soon became apparent as orders from merchant manufacturers' other major customers -- industrial and consumer electronics products, telecommunications equipment and military hardware -- weakened. But anemic demand turned out to be only the beginning of the industry's 1985 woes. With American makers and Japanese rivals scrambling for business to keep a huge amount of new capacity in operation, prices -- particularly for 64K dynamic random access memories, 256K chips and other high-volume memory products -- went into a tailspin.

The price war took a heavy toll on bottom lines in the U.S. merchant semiconductor industry. It also thinned the already reduced ranks of domestic companies making the workhorse 64K RAM. For other producers the latest bout of cutthroat RAM pricing was the final straw: they abandoned this end of the business altogether. But Japan's big semiconductor manufacturers were pinched as well. Admittedly, their problems were not as severe, yet a 34.6 percent

cutback in U.S. purchases of Japanese-made semiconductors to $1.2 billion, on top of weak demand at home, did make for bumpy going. Moreover, after adding several points to their U.S. market share in 1984, Japanese suppliers apparently hit a roadblock last year.

While semiconductor producers were bearing the brunt of the slower pace of capital spending, U.S. machine tool builders continued to benefit from the orders placed in 1984 and 1985's first half by automotive manufacturers, defense contractors and other durable goods makers investing in plant modernization or expansion. These bookings lifted shipments by nearly one-fourth in 1984 and another one-tenth last year, but industry revenues still fell far short of their 1980-82 levels. The wait-and-see investment attitude of corporate planners in a number of important end-user industries was one cause of this gap. Equally important, American capital goods manufacturers bought more Japanese-made metal cutting and metal forming equipment, boosting imports 25.7 percent to just under $1 billion and raising Japan's share of U.S. apparent consumption to 21.6 percent, a 0.9 point gain. For products like small and medium-sized numerically controlled lathes and machining centers, purchasing managers had little choice since leading domestic machine tool builders have conceded commodity market segments like these to their Japanese competitors as part of a massive restructuring drive.

Consumer Goods - The surprising strength of consumer spending in 1985, the third year of the current U.S. economic expansion, translated into another record-breaking sales year for consumer electronics products. Color televisions remained the best sellers, both in volume and sales dollars, but video cassette recorders ran a close second on both counts. Falling prices continued to whet VCR demand, particularly in the market's low end, where discount prices on established brands broke through the $250 barrier. At the same time, the introduction of camcorders (portable one-piece camera-recorder combinations) boosted sales at the high end. Technology enhancements that make VCRs easier to use, more versatile and smaller also promoted the popularity of the machines. So did the continuing spread of neighborhood video stores with their constantly expanding libraries of prerecorded programming.

For Japanese consumer electronics manufacturers, which still supply almost all the VCRs sold here despite the arrival of Korean competitors, there was only one problem with 1985's upbeat picture: thin profit margins. As fast as retailers were moving VCRs out of stores (sales to dealers shot up from 7.6 million units in 1984 to almost 11.8 million last year), imports were expanding even faster, jumping from 9.3 million units to nearly 15.8 million worth $4.1 billion. This surge set the stage for another price war and, market watchers predict, an industry shakeout.

Intermediate Goods - With a cross-section of U.S. industry muddling along last year, few Japanese suppliers of intermediate goods posted good sales results. For Japanese steel makers, though, another factor was at work: limits on their U.S.-bound shipments. These restraints, negotiated in mid-March but retroactive to October 1, 1984, cut import volume 9.7 percent to 5,990,077 tons worth $3 billion-plus. They also trimmed Japan's share of apparent consumption to 6.2 percent from 1984's 6.7 percent level.

Higher output in the U.S. automotive industry -- steel's single largest customer -- and increasing production of appliances propped up shipments of

domestically produced cold-rolled, hot-rolled and coated sheets but had no spillover effect on Japanese-made products. Similarly, mills in Japan were unable to capitalize on the strong demand for flat-rolled products as well as structural shapes and wire rods created by booming construction activity. They also did not benefit from the strength in the market for oil-country tubular products, although shipments of Japanese-made large diameter line pipe did expand. In fact, line pipe and standard and mechanical tubing were the only major steel products that increased in volume last year.

Import Prospects

No matter how the U.S. economy performs this year, the tally for imports from Japan will go up simply because of the yen's huge appreciation, but faster economic expansion -- an increasing possibility -- could add several more points to the growth rate. Another big increase is certainly in store for automotive products, if only because rising sticker prices seem to be having no impact on American demand for Japanese-made cars. Whatever happens in the VCR market, consumer goods could also chalk up another big gain since consumer spending still shows few signs of waning. At the same time, though, capital goods imports should increase by a relatively small margin since business investment is expected to continue rising at a modest rate. Moreover, intermediate goods could actually turn in a no-growth performance as lower steel shipments offset higher prices.

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The views expressed in this report are those of the author and do not necessarily represent those of the Japan Economic Institute.

U.S. Imports from Japan by Commodity, 1984 and 1985

(in millions of dollars* and indicated quantity units)

Commodity	Quantity 1984	Quantity 1985	Value 1984	Value 1985	Percent Change 1984/85	Japan's Share of U.S. Imports 1985
Total Imports			$57,135.0	$68,782.9	20.4%	19.9%
Automotive Products			18,902.9	24,980.0	32.1	37.4
Cars	1,950,406 no	2,527,467 no	12,349.9	16,231.3	31.4	44.5
Assembled Trucks	566,283 no	803,965 no	2,349.3	3,408.6	45.1	47.4
Truck Bodies (incl. cabs)	2,457 no	6,228 no	12.5	49.7	297.6	65.5
Truck Tractor Bodies	1,734 no	4,274 no	23.0	50.8	120.9	88.4
Automotive Parts, Accessories and Engines			3,631.6	4,429.5	22.0	22.0
Body Stampings			119.5	155.5	30.1	48.1
Bumpers			32.3	40.9	26.6	16.6
Wheels			32.3	71.1	120.1	20.3
Mufflers and Tailpipes			22.8	30.2	32.5	20.1
Brakes and Parts			55.9	66.8	19.5	10.9
Transmissions			155.2	252.2	62.5	20.2
Shock Absorbers			22.0	25.5	15.9	27.7
Engines and Parts			617.7	652.4	5.6	16.2
Engines	479,852 no	576,472 no	461.5	463.7	0.5	3.4
Parts			156.2	188.8	20.9	20.1
Starting and Ignition Equipment			134.2	165.9	23.6	42.8
Starting Motors	1,343,945 no	1,699,816 no	37.3	47.8	28.2	57.6
Ignition Wiring Sets			25.9	38.9	50.2	5.7
Pumps			50.1	54.9	9.6	26.4
Electric Lighting Equipment			41.0	53.1	29.5	35.3
Lead-Acid Batteries and Parts			20.0	29.6	48.0	29.9
Tires			426.0	467.2	9.7	29.5
Car Tires	6,433,383 no	8,027,564 no	171.5	207.7	21.1	24.1
Truck and Bus Tires	2,091,858 no	2,539,960 no	254.5	259.5	2.0	36.1
Radios	883,457 no	779,976 no	45.6	42.1	-7.7	11.7
Metal Hinges, Fittings and Mountings			27.2	34.8	27.9	14.1
Furniture			42.5	61.9	45.6	9.8
Snowmobiles	26,619 no	23,083 no	39.0	34.2	-12.3	51.2
Golf Carts, Mopeds and Similar Vehicles	548,410 no	743,539 no	478.6	726.3	51.8	94.3
Capital Goods			19,289.6	21,515.7	11.5	33.1
Nonelectric Machinery			12,891.9	14,448.9	12.1	36.2
Business Machines			6,414.6	6,274.1	-2.2	46.0
Office Typewriters	632,040 no	393,594 no	166.3	101.7	-38.8	55.0
Calculators	21,357,889 no	20,431,856 no	276.3	278.3	0.7	71.5
Cash Registers (excl. point-of-sale units)	396,024 no	431,156 no	97.0	108.3	11.6	97.3
Photocopiers and Parts			907.9	1,137.7	25.3	83.3
Photocopiers	762,703 no	897,676 no	723.3	892.8	23.4	82.9
Parts			184.6	244.9	32.7	84.5
Data Processing Equipment and Parts			3,185.4	3,233.6	1.5	39.9
Data Processing Equipment			1,873.4	1,924.9	2.7	48.1
Parts			1,312.1	1,308.7	-0.3	31.9

Commodity	Quantity 1984	Quantity 1985	Value 1984	Value 1985	Percent Change 1984/85	Japan's Share of U.S. Imports 1985
Machine Tools and Parts			$776.2	$975.8	25.7%	46.1%
Electric Discharge Machines	841 no	1,010 no	38.3	50.8	32.6	62.7
Numerically Controlled Lathes	2,889 no	3,765 no	173.8	220.3	26.8	86.2
Machining Centers	2,813 no	3,860 no	238.1	306.7	28.8	90.0
Milling Machines	373 no	483 no	17.1	46.6	172.5	34.9
Punching and Shearing Machines	1,461 no	1,611 no	62.3	70.2	12.7	47.8
Parts			78.7	109.9	39.6	29.5
Casting Machines Used in Metallurgy and Parts			15.6	112.5	621.2	48.3
Farm Tractors	60,383 no	72,264 no	247.3	280.5	13.4	85.7
Under 40 Horsepower	50,722 no	58,807 no	183.0	214.7	17.3	82.1
40-79 Horsepower	9,347 no	13,306 no	61.3	63.6	3.8	26.7
Hydraulic Excavators and Other Excavating Machinery and Parts			368.1	508.1	38.0	39.3
Front-End Loaders	3,314 no	4,742 no	148.4	208.1	40.2	41.8
Forklifts and Other Self-Propelled Work Trucks and Parts	28,495 no	34,426 no	231.3	274.1	18.5	50.3
Conveyors, Jacks and Other Materials Handling Equipment and Parts			151.1	180.2	19.3	21.5
Conveyors (except belt type)			38.1	22.0	-42.3	33.3
Hydraulic Jacks	518,934 no	624,224 no	33.6	41.1	22.3	43.4
Textile Machinery and Parts			174.7	176.2	0.9	22.5
Commercial Sewing Machines	139,764 no	181,795 no	61.7	59.7	-3.2	63.9
Weaving Machines and Parts			29.0	32.9	13.4	17.3
Knitting Machines and Parts			22.6	27.1	19.9	25.7
Pulp and Paper Mill Machinery and Parts			26.8	22.2	-17.2	5.7
Printing Equipment and Parts			134.9	181.3	34.4	25.6
Sheet-Fed Offset Printing Presses	278 no	420 no	43.9	73.9	68.3	27.8
Roll-Fed Offset Printing Presses	54 no	57 no	36.5	51.7	41.6	44.6
Machinery and Parts for Making Plastics and Rubber			65.6	105.1	60.2	25.0
Injection Molding Machinery	752 no	909 no	40.6	50.9	25.4	34.6
Machinery and Parts for Wrapping or Packaging Candy and Tobacco Products			17.5	26.4	50.9	8.3
Automatic Weighing Machinery			28.0	29.5	5.4	73.7
Industrial Equipment for Treating Materials by Temperature Change and Parts			20.2	57.3	183.7	18.2
Airconditioning Machinery and Parts			101.5	168.9	66.4	70.9
Pumps (except for motor vehicles) and Parts			52.7	74.2	40.8	12.6
Compressors and Parts			260.8	344.9	32.2	52.3
Refrigeration and Airconditioning Compressors Under 1/4 Horsepower	1,769,511 no	1,329,633 no	66.6	52.1	-21.8	34.2
Refrigeration and Airconditioning Compressors Between 1/4 and 1 Horsepower	883,597 no	1,214,069 no	37.8	54.4	43.9	65.0
Refrigeration and Airconditioning Compressors Over 1 Horsepower	2,393,572 no	3,114,718 no	112.9	153.7	36.1	90.5
Fans and Blowers (except for motor vehicles) and Parts			51.7	64.7	25.1	11.4
Power Hand Tools			164.3	187.6	14.2	48.6
Electric Hand Tools			101.4	135.0	33.1	57.5
Electric Drills	810,103 no	1,233,251 no	29.9	40.5	35.5	58.4
Electric Saws	315,789 no	566,079 no	22.7	34.6	52.4	80.9
Tools for Hand or Machine Use			120.0	162.4	35.3	22.5
Bearings and Parts			288.9	299.4	3.6	46.7
Radial Ball Bearings			113.8	119.7	5.2	49.3
Tapered Roller Bearings and Parts			112.3	100.8	-10.2	73.0

Commodity	Quantity 1984	Quantity 1985	Value 1984	Value 1985	Percent Change 1984/85	Japan's Share of U.S. Imports 1985
Taps, Cocks, Valves and Similar Devices and Parts			$110.4	$186.9	69.3%	21.9%
Speed Changers and Other Transmission Equipment			45.5	55.7	22.4	18.7
Small Stationary Diesel Engines and Parts			118.5	110.7	-6.6	22.7
Small Stationary Gas Engines and Parts			111.5	161.1	44.5	57.8
Steam Turbines and Parts			27.4	40.8	48.9	31.8
Electromechanical Apparatus and Parts			114.1	151.9	33.1	28.8
X-Ray Apparatus and Parts			57.7	85.7	48.5	16.5
Medical, Dental and Veterinary Instruments and Parts			127.3	154.5	21.4	35.1
Optical Instruments (excl. electro-optical)			76.4	88.4	15.7	74.0
Astronomical Instruments and Parts			89.5	113.1	26.4	72.6
Microscopes and Parts			51.5	64.4	25.0	44.9
Nonelectric Measuring, Checking, Analyzing and Controlling Instruments and Parts						
Drafting and Marking Out Devices			100.7	163.5	62.4	30.5
Electric Measuring, Checking, Analyzing and Controlling Instruments and Parts			37.0	47.2	27.6	35.5
Instruments for Measuring or Controlling Liquids and Gases			328.0	403.4	23.0	26.0
Instruments for Physical or Chemical Analysis			29.3	56.8	93.9	27.2
Instruments and Apparatus for Checking or Measuring Electrical Quantities			29.9	31.3	4.7	24.0
Film Processing and Printing Equipment			104.8	119.4	13.9	41.1
Magnetic Media			77.9	106.4	36.6	57.0
Blank Audio Cassettes	66,671,006 no	70,235,346 no	542.9	761.6	40.3	71.0
Blank Video Cassettes	61,886,607 no	123,539,802 no	76.8	80.7	5.1	52.6
Blank Video Recording Media (excl. cassettes and cartridges)			267.7	397.5	48.5	79.0
Blank Computer Tape			91.3	131.8	44.4	83.3
Buildings, Door Frames and Other Structures of Nonferrous Metals			29.9	54.2	81.3	57.6
Electric Machinery			1.2	48.4	3,933.3	18.9
Semiconductors			6,029.4	6,542.6	8.5	34.5
Discrete Devices			1,843.6	1,205.7	-34.6	22.1
Transistor Parts			318.8	326.3	2.4	30.3
Integrated Circuits			206.0	217.9	5.8	40.2
Linear (Analog) Chips	78,933,034 no	48,289,949 no	1,524.8	879.4	-42.3	20.1
Digital Bipolar Chips			51.5	45.3	-12.0	7.9
Digital Metal Oxide on Silicon Chips	311,431,437 no	201,655,545 no	130.0	93.2	-28.3	9.6
Chips, Dice and Wafers			1,282.1	699.8	-45.4	26.9
Printed Circuit Boards	10,075,647 no	9,359,894 no	149.8	119.8	-20.0	45.2
Capacitors			78.9	81.0	2.7	27.7
Fixed Aluminum Electrolytic Capacitors	900,924,266 no	817,518,745 no	152.1	121.2	-20.3	35.6
Fixed Ceramic Capacitors	1,590,846,445 no	1,426,328,366 no	67.8	55.8	-17.7	78.1
Electronic Tubes and Parts (excl. television picture tubes)			42.8	36.7	-14.3	29.3
Microphones, Loudspeakers and Amplifers and Parts			67.0	61.9	-7.6	28.7
Loudspeakers	28,874,575 no	45,921,410 no	453.1	589.2	30.0	61.1
Audiofrequency Amplifiers	2,161,254 no	3,193,381 no	180.3	256.9	42.5	69.0
Television Cameras and Parts	846,612 no	791,827 no	140.2	212.2	51.4	75.3
Radio Transceivers (excl. citizens' band)	606,711 no	618,314 no	483.7	426.0	-11.9	95.8
Radar and Radio Navigational Aids and Parts			125.5	129.6	3.3	51.0
Radiotelephonic Apparatus and Parts			50.1	67.5	34.7	32.1
			265.6	279.9	5.4	33.9

Commodity	Quantity 1984	Quantity 1985	Value 1984	Value 1985	Percent Change 1984/85	Japan's Share of U.S. Imports 1985
Telephone Apparatus and Parts			$730.4	$735.2	0.7%	46.7%
Telephone Switching Equipment and Parts			319.7	205.2	-35.8	39.2
Telephone Instruments	3,125,916 no	2,507,509 no	184.8	404.3	118.8	48.6
Teleprinting and Teletypewriting Machines and Parts			115.8	52.5	-54.7	68.5
Telegraph Appartus and Instruments and Parts			100.7	298.6	196.5	74.9
Switchgear			426.4	468.5	9.9	26.9
Switches			199.1	202.1	1.5	34.9
Relays			87.8	83.0	-5.5	43.1
Connectors			38.6	37.7	-2.3	15.0
Rectifiers and Rectifying Equipment			79.3	114.7	44.6	21.1
Resistors			101.8	82.9	-18.6	34.3
Insulated Electrical Conductors With Fittings			50.8	61.2	20.5	18.3
Electric Motors and Generators			188.9	179.6	-4.9	23.9
Electric Motors Under 1/40 Horsepower	13,672,910 no	12,859,644 no	92.6	83.6	-9.7	56.2
Generator Sets			42.0	52.2	24.3	24.3
Gasoline Engine Generators Not Over 5 Kilowatts	125,613 no	148,475 no	38.2	43.1	12.8	99.5
Welding Equipment and Parts			69.3	102.8	48.3	42.4
Batteries and Parts (excl. lead-acid batteries)			103.0	130.0	26.2	49.0
Nickel-Cadmium Storage Batteries	14,882,799 no	17,658,970 no	36.2	52.2	44.2	48.2
Permanent Magnets and Magnetic Workholders			59.9	79.3	32.4	46.1
Electric Signalling Apparatus and Parts			137.8	163.2	18.4	30.6
Transport Equipment			368.3	524.2	42.3	8.4
Civilian Aircraft			33.2	18.2	-45.2	1.0
Aircraft Parts			120.6	375.7	211.5	9.1
Self-Propelled Rail Vehicles	232 no	94 no	150.3	49.5	-67.1	53.0
Parts for Rolling Stock			36.1	58.9	63.2	27.4
Consumer Goods			11,265.6	14,017.2	24.4	20.5
Color Video Cassette Recorders	9,306,563 no	15,754,990 no	2,838.1	4,084.8	43.9	97.0
Black-and-White Video Cassette Recorders	5,087 no	141,778 no	2.8	48.8	1,642.9	98.9
Video Tape Players	144,631 no	195,485 no	69.5	81.1	16.7	95.3
Assembled Color Television Receivers	1,405,422 no	1,808,721 no	350.0	477.9	36.5	43.5
Assembled Black-and-White Television Receivers	672,945 no	714,861 no	62.6	64.7	3.4	25.2
Television Combinations			29.3	136.8	366.9	39.9
Unassembled Television Receivers and Incomplete Subassemblies			271.6	285.0	4.9	31.2
Television Picture Tubes and Parts			89.5	113.4	26.7	54.2
Parts for Television Receivers			656.1	649.6	-1.0	45.2
Converters, Preamplifiers, Amplifiers and Couplings for Cable Television			247.4	307.8	24.4	51.3
AM and AM/FM Radio Receivers (except for motor vehicles)	4,427,759 no	5,502,110 no	239.9	264.8	10.4	41.7
Radio Receivers (except entertainment broadcast band)			35.2	52.4	48.9	64.0
Radio-Tape Recorder Combinations	5,072,540 no	5,731,264 no	286.4	278.8	-2.7	41.4
Radio-Tape Player Combinations	10,132,064 no	11,220,463 no	574.3	675.7	17.7	50.2
Radio-Phonograph-Tape Recorder Combinations	614,032 no	646,504 no	69.7	225.8	224.0	86.9
Radio-Phonograph-Tape Player Combinations	125,357 no	527,422 no	8.9	35.4	297.8	38.3
Audio Tape Players	5,541,892 no	5,084,910 no	124.2	121.4	-2.3	61.5
Audio Tape Receivers and Dictation Machines and Parts			570.1	631.7	10.8	66.6
Tape Recorder and Tape Player Combinations (not incorporating radio or television receiver)			56.3	142.7	153.5	41.5
Record Players, Phonographs, Record Changers and Turntables and Parts	2,836,044 no	4,624,959 no	213.9	373.8	74.8	88.0

Commodity	Quantity 1984	Quantity 1985	Value 1984	Value 1985	Percent Change 1984/85	Japan's Share of U.S. Imports 1985
Electric Appliances and Parts			$641.7	$808.5	26.0%	35.9%
Refrigerators and Parts			53.5	70.7	32.1	26.2
Parts			16.7	42.3	153.3	50.4
Microwave Ovens	1,731,868 no	3,601,307 no	264.9	407.4	53.8	54.8
Electric Stoves and Ranges and Parts			195.1	172.2	-11.7	89.1
Window and Wall Airconditioners	90,311 no	116,194 no	18.5	26.5	43.2	49.0
Home Sewing Machines	253,961 no	228,556 no	31.1	31.5	1.3	20.1
Kerosene Heaters	837,560 no	1,218,757 no	39.6	56.6	42.9	56.0
Lawn Mowers and Parts			33.6	36.3	8.0	40.8
Portable Typewriters	1,138,201 no	1,421,237 no	99.3	120.6	21.5	68.2
Electric Filament Lamps (excl. sealed beams)			33.3	45.6	36.9	20.8
Earthen and China Tableware and Household Articles			367.9	392.0	6.6	39.8
Nonbone China Tableware	173,427,516 pc	195,497,796 pc	149.3	149.4	0.1	41.8
Earthen Tableware	268,660,860 pc	332,884,500 pc	156.7	177.2	13.1	56.8
Table Flatware and Kitchen Knives			115.5	106.6	-7.7	41.2
Metal Housewares			52.5	43.3	-17.5	8.7
Pipe Wrenches and Spanners and Parts			26.3	25.3	-3.8	19.7
Variable Focus Still Cameras	5,219,265 no	5,218,913 no	528.4	489.6	-7.3	86.9
Mounted Photographic Lenses	7,947,964 no	5,613,419 no	174.6	158.2	-9.4	78.6
Flash Apparatus			52.3	48.6	-7.1	63.7
Still Photographic Color Film (35 mm)	33,559,006 no	42,361,181 no	43.9	52.2	18.9	63.0
Optical Elements			92.6	107.0	15.6	30.9
Glasses and Frames			58.7	63.6	8.3	13.0
Frames	498,445 no	604,894 no	34.6	40.7	17.6	17.9
Clocks and Watches and Parts			435.6	476.2	9.3	34.9
Solid State Electronic Watches	6,570,353 no	8,565,226 no	53.3	52.0	-2.4	34.5
Other Watches Without Balance Wheel and Hairspring	9,660,652 no	14,815,614 no	249.6	305.6	22.4	44.2
Electric Clocks (incl. battery operated)	3,470,598 no	4,801,537 no	31.2	39.4	26.3	45.5
Toys and Sporting Goods			412.2	563.8	36.8	14.9
Toys			112.1	257.1	129.3	14.9
Rubber or Plastic Toys			17.5	126.2	621.1	30.9
Video Games and Parts			95.0	77.5	-18.4	56.3
Firearms and Parts			46.2	45.4	-1.7	25.6
Fishing Equipment			67.6	81.0	19.8	36.4
Musical Instruments and Parts			196.6	293.7	49.4	56.2
Pianos and Parts			49.2	57.3	16.5	51.8
Electronic Musical Instruments			91.5	175.7	92.0	84.4
Motorcycles and Parts (excl. engines)			661.5	883.8	33.6	92.6
Motorcycles	411,997 no	710,674 no	447.2	693.7	55.1	93.4
Motorcycles with Piston Displacement Over 290 cc	187,826 no	239,129 no	322.4	418.3	29.7	93.1
Parts (excl. engines)			214.3	190.1	-11.3	90.0
Adult Bicycles and Parts			140.2	124.1	-11.5	35.1
Bicycles	539,494 no	532,719 no	67.0	58.9	-12.1	26.2
Parts			73.2	65.3	-10.8	50.7
Outboard Motors	100,692 no	157,450 no	71.4	129.1	80.8	77.8
Clothing and Accessories			494.0	487.3	-1.4	3.3
Women's and Girls' Cotton Jackets	2,638,776 no	1,793,892 no	35.2	23.4	-33.5	11.1
Women's Cotton Slacks	10,103,280 no	11,099,292 no	69.5	78.8	13.4	13.1
Women's and Girls' Cotton and Manmade-Fiber Knit Shirts	10,044,264 no	7,794,456 no	30.5	23.0	-24.6	4.2
Men's and Boys' Cotton Knit Shirts	7,372,776 no	4,117,704 no	35.8	23.8	-33.5	6.7
Footwear			26.4	19.3	-26.9	0.3
Furniture			44.6	68.6	53.8	2.6

Commodity	Quantity 1984	Quantity 1985	Value 1984	Value 1985	Percent Change 1984/85	Japan's Share of U.S. Imports 1985
Pearls (not set or strung)			$215.2	$200.4	-6.9%	86.7%
Jewelry			60.0	67.2	12.0	3.0
Works of Art			45.4	40.0	-11.9	4.1
Printed Material			133.5	153.1	14.7	13.7
Pens and Pencils			96.8	109.4	13.0	62.3
Ballpoint Pens	124,720,274 no	186,712,492 no	28.9	38.9	34.6	64.0
Cigarette Lighters and Parts			24.2	29.3	21.1	33.6
Pharmaceuticals			138.4	165.5	19.6	9.3
Bulk Vitamins			43.1	42.2	-2.1	30.0
Benzenoid Drugs			59.0	75.8	28.5	10.7
Intermediate Goods			6,849.6	7,035.3	2.7	6.2
Steel Mill Products	6,630,005 stn	5,990,077 stn	3,149.9	3,048.3	-3.2	31.4
Wire Rods and Bars	1,319,378 stn	1,190,072 stn	495.1	453.1	-8.5	25.5
Unalloyed Wire Rods	282,183 stn	236,553 stn	107.3	84.7	-21.1	22.0
Cold-Formed Unalloyed Bars	77,509 stn	72,849 stn	35.7	34.0	-4.8	31.9
Semifinished Angles, Shapes and Sections Over 3"	711,502 stn	669,259 stn	215.7	202.3	-6.2	33.8
Plates and Sheets	3,315,994 stn	2,945,492 stn	1,597.8	1,430.3	-10.5	33.8
Tin Plate and Tin-Coated Sheets	211,071 stn	253,122 stn	120.7	137.2	13.7	63.5
Coated Plates and Sheets	1,683,098 stn	1,492,082 stn	817.9	748.0	-8.5	55.5
Unalloyed Non-Pickled Plates and Pickled Sheets	285,145 stn	214,634 stn	95.2	72.0	-24.4	9.1
Black Plate	166,149 stn	141,149 stn	67.8	59.8	-11.8	59.7
Unalloyed Hot-Rolled Sheets	190,816 stn	130,642 stn	62.5	43.1	-31.0	10.4
Unalloyed Cold-Rolled Sheets	830,497 stn	624,185 stn	329.5	257.7	-21.8	27.4
Plates, Sheets and Strip of Alloy Tool Steel	48,414 stn	58,461 stn	49.5	58.4	18.0	44.1
Strip	65,720 stn	72,072 stn	71.0	82.0	15.5	30.3
Alloy Tool Steel Strip	20,021 stn	31,581 stn	33.5	48.5	44.8	59.0
Rails	193,868 stn	210,896 stn	69.2	83.5	20.7	65.3
Wire (excl. flat wire and insulated electric wire)	184,694 stn	140,617 stn	121.4	100.8	-17.0	25.3
Unalloyed and Uncoated Wire	137,235 stn	94,322 stn	76.4	54.5	-28.7	32.8
Tubes, Pipes and Fittings	1,405,798 stn	1,425,788 stn	788.4	889.6	12.8	36.4
Cast Fittings, Forged Steel Flanges and Butt-Weld Fittings	37,238 stn	40,414 stn	52.4	67.0	27.9	39.8
Unalloyed Welded or Seamless API Line Pipe	238,058 stn	271,457 stn	91.2	114.5	25.5	30.9
Unalloyed Welded or Seamless Pipes and Tubes, Not Threaded	269,188 stn	189,680 stn	101.7	68.6	-32.5	24.1
Unalloyed Welded or Seamless Pipes and Tubes, Threaded	258,045 stn	261,114 stn	157.3	179.9	14.4	68.2
Unalloyed Pipes and Tubes of Circular Cross Section	173,439 stn	186,789 stn	90.4	103.8	14.8	49.8
Stainless and Alloy Tool Steel Pipes and Tubes	58,741 stn	90,855 stn	77.0	118.3	53.6	46.4
Nonferrous Metals			506.4	535.0	5.6	7.6
Copper and Copper Alloys			114.0	106.9	-6.2	9.3
Pipes and Tubes			58.3	62.2	6.7	41.6
Aluminum and Aluminum Alloys			331.1	347.5	5.0	17.4
Wrought Aluminum Sheets and Strip, Not Clad	142,521 stn	152,993 stn	302.9	313.8	3.6	51.4
Titanium	5,256 stn	3,476 stn	34.6	28.5	-17.6	66.8
Steel Pillars, Girders and Similar Structural Units			36.9	30.0	-18.7	19.8
Metal Containers			29.6	141.0	376.4	47.7
Wire Products (excl. insulated electric wire)			122.6	140.1	14.3	28.1
Steel Wire Strand, Unfitted and Uncovered	44,404 stn	48,610 stn	45.8	47.4	3.5	35.1
Brass-Plated Steel Rope and Cable, Unfitted and Uncovered	20,352 stn	24,800 stn	41.6	49.8	19.7	36.3

Commodity	Quantity 1984	Quantity 1985	Value 1984	Value 1985	Percent Change 1984/85	Japan's Share of U.S. Imports 1985
Nails and Industrial Fasteners			$438.2	$419.4	-4.3%	39.5%
Steel Bolts and Bolts With Nuts	62,571 stn	55,320 stn	55.4	51.1	-7.8	39.7
Steel Nuts	61,801 stn	56,105 stn	90.9	88.8	-2.3	53.1
Steel Screws	181,519 stn	177,510 stn	209.1	200.5	-4.1	61.1
Steel Chains			61.9	60.6	-2.1	45.2
Industrial Chemicals (excl. fertilizers and pharmaceuticals)			1,047.2	1,098.1	4.9	16.2
Organic Chemicals Found Naturally in Coal Tar			26.0	69.9	168.8	11.7
Benzene	17,139,613 gal	26,770,814 gal	22.3	34.6	55.2	18.5
Toluene	0 gal	24,603,243 gal	0.0	29.7	100.0	17.7
Other Cyclic Organic Chemical Products			151.3	123.1	-18.6	16.7
Aromatic or Odoriferous Compounds (incl. flavors)			40.3	57.8	43.4	35.9
Organic Acids, Acid Anhydrides and Salts			34.9	42.9	22.9	15.7
Amino Acids and Other Nitrogenous Compounds			127.1	113.5	-10.7	17.5
Synthetic Organic Dyestuffs			103.1	117.2	13.7	35.4
Plastic Materials and Resins			310.1	321.4	3.6	22.9
Polystyrene Resins and Styrene Copolymers and Terpolymers			52.2	24.3	-53.4	30.6
Flexible Film, Strips and Sheets of Plastic Materials			125.0	135.1	8.1	26.0
Synthetic Rubber			28.3	35.5	25.4	11.5
Rubber or Plastic Hose, Pipe and Tubing			26.5	35.7	34.7	20.3
Rubber or Plastic Gaskets			28.3	34.1	20.5	21.1
Tires and Tubes (excl. car, truck and bus tires)			90.3	94.8	5.0	27.8
Plywood and Veneers	119,315 msf	114,099 msf	42.8	37.4	-12.6	4.8
Paper Products			79.2	106.4	34.3	1.9
Coated Paper and Paperboard			40.8	66.7	63.5	6.4
Yarns, Fabrics and Made-Up Textile Articles			671.0	715.2	6.6	14.6
Manmade-Fiber Yarn	13,814 stn	9,630 stn	56.1	42.5	-24.2	12.5
Cotton Fabrics	79,031,384 syd	111,755,237 syd	111.0	142.6	28.5	17.0
Manmade-Fiber Fabrics	229,130,365 syd	217,790,778 syd	260.4	272.2	4.5	35.3
Fabrics 85 Percent or More By Weight Polyester	n.a.	134,181,919 syd	n.a.	135.9	n.a.	55.3
Wool Fabrics	6,804,987 syd	7,338,185 syd	30.4	27.6	-9.2	19.5
Wadding, Batting and Nonwoven Fabrics	1,463 stn	1,834 stn	44.7	41.9	-6.3	49.5
Ceramic Tile	67,595,951 sft	80,536,221 sft	56.4	66.5	17.9	24.9
Electrodes for Electric Furnaces and Electrolytic Use	37,724 stn	36,791 stn	64.1	64.9	1.2	66.8
Coke for Use as Fuel	354,308 stn	464,265 stn	29.7	36.0	21.2	84.0
Photographic Film and Paper (excl. film packaged for retail sale)			293.1	345.7	17.9	45.3
Medical X-Ray Film	110,129,217 sft	90,220,783 sft	67.8	71.7	5.8	54.8
Silver Halide Color Photographic Paper	443,728,422 sft	686,697,071 sft	103.8	133.9	29.0	52.6
Food and Feed			443.9	500.3	12.7	2.3
Fish and Fish Products			244.6	278.1	13.7	7.0
Fresh, Chilled or Frozen Tuna	58,937 stn	26,618 stn	70.0	42.7	-39.0	19.9
Scallops	3,600 stn	5,441 stn	31.9	43.7	37.0	29.7
Alcoholic Beverages			25.6	27.7	8.2	0.9
Miscellaneous Imports			383.4	734.4	91.5	7.8

Key to quantity abbreviations:
gal = gallons
msf = thousand square feet
no = number
pc = pieces
sft = square feet
stn = short tons
syd = square yards

*Imports are valued on a Customs value basis.

Source: U.S. Department of Commerce, U.S. General Imports: Schedule A Commodity by Country (FT 135), December 1984 and December 1985